

BOARD OF GOVERNORS MEETING

The University of North Carolina

January 9, 2004

The Board of Governors met in regular session on January 9, 2004, in the Board Room of the General Administration Building, Chapel Hill. Mr. Wilson, the chairman, called the meeting to order at 10:45 a.m.

INVOCATION

Mr. Lail gave the invocation:

Almighty God, thank you for the many blessings you have bestowed on this University, our State, and our Nation. Support and strengthen our leaders who serve the people of this great state. Thank you for the beauty, diversity, and bounty of our fair state. Make us mindful of the goodness of people and the blessings of the many talents you have bestowed.

Bless this great University. Bless all of those who serve. Hear our prayer. Give us wisdom and strength to continue to follow the leaders that have worked to give vision and direction to this institution. As we begin our work today, guide us to be your servants in serving other people. Amen.

ROLL CALL

Dr. Perry called the roll and the following members were present:

J. Bradley Wilson
Bradley T. Adcock
G. Irvin Aldridge
James G. Babb
Brent D. Barringer
J. Addison Bell
R. Steve Bowden
F. Edward Broadwell, Jr.
William L. Burns, Jr.
Anne W. Cates
John F.A.V. Cecil
Bert Collins
John W. Davis III
Jonathan L. Ducoté
Ray S. Farris
Dudley E. Flood
Hannah D. Gage

H. Frank Grainger
Peter D. Hans
Peter Keber
Adelaide D. Key
G. Leroy Lail
Charles H. Mercer, Jr.
Charles S. Norwood
Cary C. Owen
Patsy B. Perry
Jim W. Phillips, Jr.
Gladys Ashe Robinson
Benjamin S. Ruffin
Estelle W. Sanders
J. Craig Souza
Priscilla P. Taylor
Robert F. Warwick

The following members were absent:

C. C. Cameron
James E. Holshouser, Jr.
Willie J. Gilchrist

MINUTES

On motion of Mr. Davis and duly seconded, the minutes of the meeting of November 14, 2003, were approved.

PRESIDENT'S REPORT

President Broad introduced the chancellors and representatives of affiliated organizations in attendance at the meeting and gave the board an update of the good news and accolades afforded many of the campuses.

In her report, the president discussed the pending salary increases for the lowest-paid SPA employees, the recent report to the Planning Committee by the Task Force on Meeting Teacher Supply and Demand, a request from UNC Charlotte and Western Carolina University to establish a joint degree program in electrical engineering, and the new Long-Range Plan 2004-09 submitted for the Board's approval. (For the President's full report, see Appendix A)

RESOLUTION HONORING ROBERT W. BROAD

Chairman Wilson thanked Robert W. Broad for his invaluable service to the University. On behalf of the Board, Chairman Wilson presented a resolution recognizing the special contributions that Mr. Broad makes to the University. On motion of Mrs. Cates and unanimously seconded, the resolution was adopted. (Appendix B)

ADMINISTRATIVE ACTION ITEMS

Chairman Wilson called attention to the Administrative Action Items listed on the agenda and inquired if any member wished to have items removed for further discussion. Mr. Adcock moved, duly seconded, that the following Administrative Action Items be approved by consent:

a. (B/F)	Authorization of the Issuance of UNC System Commercial Paper Bonds, NCSU and UNCCH	Appendix C
b. (B/F)	Authorization of New Capital Improvements Projects, UNCCH	Appendix D
c. (B/F)	Approval of the Exchange of Property, UNCCH	Appendix E
d. (B/F)	Authorization to Discontinue the Master of Education in Textile Products Design and Marketing, UNCG	
e. (EPPP)	Authorization to Establish the Bachelor of Arts in Latin American Studies, UNCC	Appendix F
f. (EPPP)	Authorization to Establish the Joint Bachelor of Science in Electrical Engineering, UNCC and WCU	
g. (EPPP)	Authorization to Establish the Doctor of Philosophy in Medical Family Therapy, ECU	Appendix G
h. (EPPP)	Authorization to Establish the Doctor of Philosophy in Rehabilitation Counseling and Administration, ECU	Appendix H
i. (EPPP)	Authorization to Create the College of Humanities and Social Sciences and the College of Basic and Applied Sciences, FSU	Appendix I
j. (P&T)	Adoption of the Proposed Amendment to Policy 600.3.4, Granting of Management Flexibility to Appoint and Fix Compensation	Appendix J
		Appendix K

The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Mr. Phillips, chair of the Committee on Budget and Finance, presented the committee's report.

Revision of Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions

Mr. Phillips reported that on the preceding day the committee considered revisions to Policy 600.3.1, Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions. Mr. Phillips said the changes, approved last year by the General Assembly, authorize the Board of Governors to set separate purchasing benchmarks for each special responsibility constituent institution (SRCI) at levels up to \$500,000, doubling the prior benchmark of \$250,000, as well as other improvements in purchasing. Mr. Phillips called

attention to the following updated amendment proposed by Mr. Broadwell and included in each member's folder:

1. i. The Chancellor shall ensure that procedures and support systems are in place to provide for the effective operation and maintenance of all existing campus buildings and infrastructure. New facilities financed by the 2000 Higher Education Bond Program or any other sources of funds shall become a part of an effective program of preventive maintenance from the time that construction is completed. Procedures shall also be in place to assure proper accountability and safeguarding of all fixed assets and other items purchased by the University.

In accordance with the provisions of *The Code*, Mr. Phillips gave notice the revisions to the policy would be submitted for the board's approval at the February meeting.

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As a matter of information, Mr. Phillips called attention to a presentation regarding tuition earlier in the day and said the committee would consider that matter in February. He reminded the members the next Budget and Finance Committee meeting is tentatively set for 10:00 a.m. on Friday, February 6, and encouraged all members to attend.

REPORT OF COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS

Dr. Taylor, vice chair of the Committee on Educational Planning, Policies, and Programs, presented the committee's report.

Long-Range Plan 2004-2009

Dr. Taylor reminded the members that the Strategic Directions for the Long-Range Plan had been approved previously and the committee was recommending the entire Long-Range Plan 2004-2009 (Appendix L) for the board's approval. She said the committee reviewed and endorsed the plan as an excellent statement to guide the University's development. Dr. Taylor called attention to a list of changes and additions to the document and said a copy had been placed in each member's folder.

On behalf of the committee, Dr. Taylor moved approval of the following resolution:

Be it resolved by the Board of Governors of the University of North Carolina, that the document entitled Long-Range Plan 2004-2009 be approved, and that the President be authorized to make such editorial improvements in the document as she finds necessary in the interest of accuracy and completeness and to have the Long-Range Plan 2004-2009 printed and distributed.

The motion carried.

Fifth Annual Enrollment Planning Report

Dr. Taylor reported that the fall 2003 enrollment at UNC institutions grew by almost 6400 students; that participation by North Carolina high school graduates in UNC institutions reached the highest level ever at 31%; that over 1600 additional resident freshmen enrolled in UNC this fall; that the focused growth campuses continue to grow at a rate exceeding UNC as a whole; and that off-campus distance education enrollment reached almost 10,000 students. Dr. Taylor added that the new ten-year enrollment plan for 2002-2012 shows UNC growing to over 208,000 students by 2007 and approximately 235,000 students by 2012.

On behalf of the committee, Dr. Taylor moved that the Fifth Annual Enrollment Planning Report of the Board of Governors be approved. The motion carried. (Appendix M)

Revisions to the Articulation Agreement Between UNC and the Community College System

Dr. Taylor reported the Transfer Advisory Committee approved a set of proposed revisions to the Articulation Agreement between UNC and the Community College System. Those revisions allow students seeking an Associate in Science degree to transfer to an upper division science program by allowing ranges for various degrees and enabling students to take more courses to benefit their intended major. On behalf of the committee, Dr. Taylor moved that the Revisions to the Articulation Agreement between the University of North Carolina and the North Carolina Community College System be approved. The motion carried. (Appendix N)

Changes in Mission Statements – Elizabeth City State University and UNC Wilmington

On behalf of the Committee on Educational Planning, Policies, and Programs, Dr. Taylor moved that the proposed changes in the mission statements of Elizabeth City State University and the University of North Carolina at Wilmington be approved. The motion carried. For the change in mission statement for Elizabeth City State University, see Appendix O; for the change in mission statement for UNC Wilmington, see Appendix P.

Biennial Report on Centers and Institutes

Dr. Taylor reported that as part of the biennial long-range planning process there was a campus review of each approved center and institute and that the Report on Centers and Institutes summarizes the results of that review and identifies those centers and institutes to continue or discontinue. Dr. Taylor said the centers and institutes brought over \$60 million to the campuses in 2001-2002, employed over 650 people, and provided support for over 360 students while doing valuable research and public service for the state and nation. On behalf of the committee, Dr. Taylor moved that the Biennial Report on Centers and Institutes be approved. The motion carried. (Appendix Q)

Request for Management Flexibility in Information Technology, The University of North Carolina at Pembroke

Dr. Taylor moved that a request from the University of North Carolina at Pembroke for management flexibility in information technology be approved. The motion carried. (Appendix R)

REPORT OF THE TASK FORCE ON MEETING TEACHER SUPPLY AND DEMAND

Mrs. Gage gave the report of the Task Force on Teacher Supply and Demand. She reported the committee met on the preceding day and reached a consensus on the recommendations it would present at the February 11 Joint Meeting of the North Carolina Education Governing Boards. A few of the recommendations agreed upon include:

- Recruitment Recommendations – including loan forgiveness options
- Teacher Preparation Recommendations – development of a plan for enrollment growth within teacher education programs offered within the system by providing growth targets for the system and individual campuses that will recognize the teacher shortage problem
- Retention Recommendations – professional development options and retention bonuses
- Increased commitment and collaboration with the community colleges

Mrs. Gage said the committee plans to submit its final recommendations and report for approval by the board in March. Chairman Wilson commended the Task Force on the work of their committees and urged the members of the board to read the work product of the committee.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Adcock, chair of the Committee on University Governance, presented the committee's report.

Appointment to the North Carolina School of Science and Mathematics Educational Advisory Council

On behalf of the committee, Mr. Adcock moved that Dr. Nathan Simms of Chapel Hill be appointed to the Educational Advisory Council of the North Carolina School of Science and Mathematics, for a partial term ending June 30, 2005. The motion carried.

Appointment to the University of North Carolina Press Board of Governors

Mr. Adcock moved that Dr. Arlene Clift-Pellow of North Carolina Central University be appointed to the University of North Carolina Press Board of Governors, for a partial term ending June 30, 2007. The motion carried.

Amendment to Paragraph 302 C of *The Code*

Mr. Adcock reminded the members that in November 2003 it gave notice of a proposed change to paragraph 302 C of *The Code* dealing with meetings of the standing committees. On behalf of the committee, Mr. Adcock moved approval of the amendment. The motion carried. (Appendix S)

Amendment to Appendix 1, III of *The Code*

Mr. Adcock also reminded the members that in November the committee gave notice of an amendment to Appendix 1, III of *The Code* dealing with Academic Degrees and Grading. On behalf the committee, he moved approval of the change to Appendix 1, III of *The Code*. The motion carried. (Appendix T)

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As a matter of information, Mr. Adcock called attention to two items in the folders and reported the committee continues to study governance issues, such as the Committee on Committee process, with the idea of helping the board operate more efficiently. Mr. Adcock reported the committee is working with Vice President Winner regarding initiating and settling lawsuits and expects to present recommendations for both items at the February board meeting.

REPORT OF COMMITTEE ON THE FUTURE OF INFORMATION TECHNOLOGY

Mr. Cecil, chair of the Committee on the Future of Information Technology, reported the committee met on the preceding day at the UNC Center for Public Television in the Research Triangle Park. He thanked Director Tom Howe for the hospitality extended to the committee. Mr. Cecil reviewed the work of the committee from October 2003 to the present time, as well as various campus presentations to the committee. The committee expects to bring its report to the board in the spring.

As a matter of information, Mr. Cecil reported that while the board members were at the site of the UNC Center for Public Television they had an opportunity to learn the history of UNC TV, from radio to black and white television to HDTV today. The members also heard a presentation on digital conversion of towers, transmitters, and translators, utilizing the \$65 million in bond money provided to UNC TV. The members also had an opportunity to tour the facility.

REPORT OF COMMITTEE ON PUBLIC AFFAIRS

Mr. Babb, chair of the Committee on Public Affairs, reported the committee met by teleconference earlier in the week and received an extensive review of the proposed Board of Governors federal agenda for 2004 from Associate Vice President Samors. The federal agenda was approved by the committee earlier in the day, will be reviewed and presented to the full board at the next meeting. At Mr. Babb's request, Associate Vice President Samors introduced the newest member of the University's Washington staff, Assistant Vice President for Federal Relations Kimrey Rhinehardt.

Mr. Babb said that proposals from the campuses and affiliates for the state legislative agenda are now being reviewed and will be considered by the board in March. He added that Associate Vice President Fleming reported on the activities of several legislative committees, including the Joint Legislative Education Oversight Committee and the Joint Economic Development Committee. Membership lists for those committees were previously distributed.

CHAIRMAN'S REPORT

Chairman Wilson thanked Director Tom Howe and the members of the UNC Center for Public Television staff for hosting the members of the Board of Governors. The chair also thanked Mr. Barringer and Chancellor Fox for hosting the Board of Governors at the RBC Center for a Carolina Hurricanes' victory.

In response to an inquiry as to when the board would meet during the summer, Chairman Wilson announced the board will meet July 8 and 9, 2004. The board will not meet in August unless there is a requirement to do so.

Chairman Wilson reminded the members of the following upcoming events:

- January 30 – O. Max Gardner Award Nominations due in Office of the Secretary

- February 11 – Joint Meeting of the North Carolina Education Governing Boards (hosted by UNC Board of Governors) – William and Ida Friday Continuing Education Center, Chapel Hill
- February 12 – Board of Governors Committee Meetings, North Carolina Central University, Durham
- February 13 – Board of Governors Meeting, General Administration Building, Chapel Hill
- March 27-30 – AGB Conference on Trusteeship, New Orleans, Louisiana (members may attend at their own expense)

Chairman Wilson urged the members of the board, in preparing for the discussion regarding tuition, to read the report *Measures on College Affordability* prepared by the North Carolina State Education Assistance Authority.

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On motion of Dr. Perry and unanimously seconded, the board voted to convene in closed session pursuant to North Carolina General Statutes Sections 143-318.11(a)(3), 143-318.11(a)(5), and 143-318.11(a)(6). The motion carried.

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The Board of Governors went into closed session at 11:50 a.m. and returned to open session at 12:00 noon.

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REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mr. Davis, chair of the Committee on Personnel and Tenure, presented and moved approval of the committee's summary personnel report as presented in closed session. The motion carried. The Summary Personnel Report is presented as Appendix U.

As a matter of information, Mr. Davis called attention to proposed Policy 300.1.6.1, *Policy on Administrative Separation* that applies to some members of the Office of the President staff and the committee plans to present it for approval at the February meeting.

Mr. Davis reported the committee, at its meeting on the preceding day, approved the request for the *Granting of Management Flexibility to Appoint and Fix Compensation* to UNC Wilmington.

In reference to management flexibility at East Carolina University, Mr. Davis reported that President Broad informed the committee that a plan providing intensive training, on an on-going basis for all those with hiring responsibilities at East Carolina University, has been established.

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There being no other business, the meeting adjourned at 12:05 p.m.

Secretary

APPENDICES

(All appendices are a part of the official record of the meeting.)

Appendix A	President's Report	Attached
Appendix B	Resolution Honoring Robert W. Broad	Attached
Appendix C	Authorization of the Issuance of UNC System Commercial Paper Bonds, NCSU and UNCCH	Attached
Appendix D	Authorization of New Capital Improvements Projects, UNCCH	Attached
Appendix E	Approval of the Exchange of Property, UNCCH	Attached
Appendix F	Authorization to Establish the Bachelor of Arts in Latin American Studies, UNCC	Attached
Appendix G	Authorization to Establish the Joint Bachelor of Science in Electrical Engineering, UNCC and WCU	Attached
Appendix H	Authorization to Establish the Doctor of Philosophy in Medical Family Therapy, ECU	Attached
Appendix I	Authorization to Establish the Doctor of Philosophy in Rehabilitation Counseling and Administration, ECU	Attached
Appendix J	Authorization to Create the College of Humanities and Social Sciences and the College of Basic and Applied Sciences, FSU	Attached
Appendix K	Adoption of the Proposed Amendment to Policy 600.3.4, Granting of Management Flexibility to Appoint and Fix Compensation	Attached
Appendix L	Long-Range Plan 2004-2009	On request
Appendix M	Fifth Annual Enrollment Planning Report	Attached
Appendix N	Revisions of the Articulation Agreement Between UNC and the Community College System	Attached
Appendix O	Change in Mission Statement - ECSU	Attached
Appendix P	Change in Mission Statement - UNCW	Attached
Appendix Q	Biennial Report on Centers and Institutes	Attached
Appendix R	Request for Management Flexibility in Information Technology, UNCP	Attached
Appendix S	Amendment to Paragraph 302 C of <i>The Code</i>	Attached
Appendix T	Amendment to Appendix 1, III of <i>The Code</i>	Attached
Appendix U	Summary Personnel Report	Attached

CLOSED SESSION**APPROVAL OF MINUTES OF CLOSED SESSION**

In accordance with procedures established to comply with the Open Meetings Law, Dr. Taylor moved, seconded by Mr. Grainger, that the closed session minutes for November 14, 2003, be approved. The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE**Acquisition of Property – The University of North Carolina at Chapel Hill**

Mr. Phillips, chair of the Committee on Budget and Finance, presented a request from the University of North Carolina at Chapel Hill to acquire a parcel of property and a building located on Mason Farm Road. Mr. Phillips moved that the request be approved and transmitted to the Council of State for final action. The motion carried. (Exhibit A)

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE**Request to Initiate Litigation – North Carolina Central University**

Mr. Adcock, chair of the Committee on University Governance, reported the committee met jointly on December 19, 2003, with the Committee on Budget and Finance to receive information related to mold contamination in two residence halls at North Carolina Central University.

Mr. Adcock informed the board the committee approved a resolution requesting the Attorney General to initiate litigation, at the earliest practical time, in the name of the University of North Carolina, on behalf of North Carolina Central University, asserting claims against all appropriate parties who may have liability for damage to, or improper design or construction of New Residence Halls 1 & 2. (Exhibit B)

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mr. Davis, chair of the Committee on Personnel and Tenure, presented the committee's summary personnel report, subject to approval in open session. See Exhibit C.

The committee's recommendations include four administrative appointments and recommendations for promotions and conferrals of tenure at Fayetteville State University.

As a matter of information, Mr. Davis reported the committee, at its meeting on the preceding day, asked President Broad to address the issue of salary inequities and the lack of salary increases in almost four years within the Office of the President and General Administration and asked the president to address the problem as soon as possible.

Mr. Davis also reported that President Broad gave the committee an update on the search for the CEO of the UNC Health Care System and for chancellors at Appalachian State University and East Carolina University.

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On motion of Mr. Grainger, seconded by Mr. Warwick, the board voted to reconvene in open session.